COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Bay State Gas Company	)	**D.T.E. 06-36**
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ATTORNEY GENERAL'S FIRST SET OF INFORMATION AND DOCUMENT REQUESTS

AG-1- 1 Please refer to Exhibit ("Exh.") BSG-1 at 3, lines 1-5. Please define "operational risks."

AG-1- 2 Please refer to Exhibit ("Exh.") BSG-1 at 3, lines 1-5. Please identify the "potential harm" that grandfathered overtakes could cause to Bay State Gas Company's ("Bay State" or "Company") customers.

AG-1- 3 Please refer to Exhibit ("Exh.") BSG-1 at 3, lines 1-5. Please identify the "potential harm" that grandfathered overtakes could cause to Bay State Gas Company's ("Bay State" or "Company") shareholders.

AG-1- 4 Please refer to Exh. BSG-1 at 11-12. State whether the overtake events caused any harm to Bay State's customers.

A. If the overtakes caused harm, describe the harm and how it occurred.
B. If the overtakes did not cause harm, explain why.

AG-1- 5 Please refer to Exh. BSG-1 at 9, lines 9-21. Identify the risks that Bay State's own system supply service presents.

AG-1- 6 Please refer to Exh. BSG-1 at 11-12. Provide the reason for the Company's choice to reserve thirty percent as the contingency reserve instead of some higher percentage when the Company's data indicated that the past overtakes exceeded thirty percent.

AG-1- 7 Refer to Exh. BSG-1 at 11-12.

i. Please explain how this analysis differs from that used to arrive at the ten percent contingency reserve in D.T.E. 02-75, and;

ii. Please state the reason(s) for Bay State's use of two different analytical methods.

AG-1- 8 Please explain Bay State's reasons for proposing a thirty percent contingency reserve instead of the ten percent contingency reserve proposed in D.T.E. 02-75. Provide in this response all supporting analysis and documentation.

AG-1- 9 Describe the capacity procurement process that Bay State will use to acquire capacity for grandfathered customers, and state whether the Company will procure capacity for each individual grandfathered customer, for each division, or in some other manner.

AG-1- 10 Please refer to Exh. BSG-1 at 9, lines 9-21; BSG-1 at 14. Explain in detail the methods that Bay State will use to distribute costs to grandfathered customers through the Company's Cost of Gas Adjustment ("CGA").

AG-1- 11 Explain how the Company determined the methods that Bay State will use to distribute costs to grandfathered customers through the Company's Cost of Gas Adjustment ("CGA"). Include in this response all evaluations, studies, reports, correspondence, e-mails, notes, presentation materials, and work papers related to this determination.

AG-1- 12 Identify if and why the Company believes that non-grandfathered customers will not pay for the thirty percent contingency reserve. Include in this response all evaluations, studies, reports, correspondence, e-mails, notes, presentation materials, and work papers related to these methods.

AG-1- 13 Identify any costs for the reserve capacity that non-grandfathered customers may or would bear under the Proposal.

AG-1- 14 Please refer to Exh. BSG-1 at 11, line 3-10. Explain in detail the process Bay State will use to collect data to establish unauthorized overtakes on a customer-specific basis.

AG-1- 15 Please refer to Exh. BSG-1 at 11, line 3-10. Will Bay State used this data in its cost allocation methodology and if not, then explain why not.

AG-1- 16 Did the Company survey or discuss its proposal with the grandfathered customers and/or their suppliers? If yes, please provide a detailed account of the discussions. Include in this response all evaluations, studies, reports, correspondence, e-mails, notes, presentation materials, and work papers related to these discussions.

AG-1- 17 Did the Company consider a voluntary plan in which the Company would purchase capacity solely for grandfathered customers interested in protecting themselves from curtailment by the Company based on underdelivery? If yes, why did the Company reject the plan? If not, then would the Company consider a voluntary plan? Include in this response all evaluations, studies, reports, correspondence, e-mails, notes, presentation materials, and work papers related to the consideration of such a plan.

AG-1- 18 Please illustrate the mechanics of the Company's proposal by using actual volumes and hypothetical costs for 2004/05 with reconciliation in 2005/06. Include all supporting calculations, workpapers and assumptions. Please provide the calculations in the form a working Excel spreadsheet model

AG-1- 19 Did the Company consider a stand-alone program that would not affect customers other than the grandfathered customers (one in which the Company would procure the capacity on a completely separate basis for the proposed program and then charge only the grandfathered customers 100% of the cost with a credit for revenues received for any of that specific capacity that the Company releases). If yes, why did the Company reject the program? If not, then would the Company consider such a program? Include in this response all evaluations, studies, reports, correspondence, e-mails, notes, presentation materials, and work papers related to the consideration of such a program.

DATED: June 2, 2006